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ABSTRACT

A new approach to distributing educational resources is needed to continue public education. Under this new approach, investment does not rely on consumptive behaviors. Individualistic gain is not stressed at the expense of surrounding institutions, and participation, collaboration, and resource sharing dominate. The post-World War II era in the United States fostered consumption and cultural values of success and materialistic advancement. Illinois had worked under an educational model of additive and distributive consumption for many years. This model cause problems in the 1970s and 1980s as the economy slowed and fewer resources were available for schools. As educational needs have increased, state resources have decreased and local authorities have been given new responsibilities with little additional resources. These local resources are limited by property values that vary widely in the state and lead to inequities in educational funding. Also, as populations age, local communities are less willing to increase their burden for increased education spending. Under a new system, the definition of equity can no longer be the right to consume equally. Participation and collaboration must prevail over individualism. And students must be prepared for the age of information and technology. (Contains 7 references.) (JPT)

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Embedding Participation in Educational Finance Strategy: New Representations

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Changing from Advocacy to Investment

Current events in Illinois provide a useful lens through which to view the changing nature of an historic political economy grounded in advocacy for resources. By looking at some of the issues and assumptions underlying the current suit on educational efficiency we can begin to reveal how the assumptions bind us to a distributive model of consumption as growth. A new approach is necessary to permit the continuance of the system of public education not tied to these prior assumptions. Rather, any new representation must be tied to a different model of investment and collaborative participation. This metaphor differs from "investment" in the current model as investment is now the precursor to consumption and the necessary first step in an escalating spiral of investing, growth, and consumption of exhaustible resources. The new view looks upon investment as a new metaphor - one that does not rely on consumptive behaviors to operate. Unlike the current system, this one is capable of functioning and surviving in a world of scarcity because it is not connected to individualistic (i.e., "organizational") gain at the expense of surrounding institutions - and IS grounded in participation, collaboration, and resource sharing.

The current political economy, and this includes Illinois' 934 public school districts, functions in a culture which supports - nay "demands" consumptive behaviors. Advocacy becomes the means through which diminishing or limited numbers of these resources are procured and utilized by the few at the expense of the many.

Pent-up Demand

After World War II demand for consumption and extrinsic goods was precipitated by divergence of national production to war efforts. The devastation in its aftermath provided the United States an opportunity for unparalleled growth. This period of plenty fostered and reinforced the existing cultural metaphors of independence, success, and importance and defined them through material acquisition - if you worked hard you could be better off than your parents' generation - and led to a culturally consumptive mind set and lifestyle. Our historic sense of

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localism also led to unprecedented numbers of local taxing units to operationalize such unparalleled demand and growth. It also led to the never before experienced birthrate increase known as the "Baby Boomer" generation. As long as the upward ascent was maintained it was unnecessary to consider the result of stasis, or decline. The current economy rests on a set of assumptions related to the distribution of new, or growth resources. Growth creates need, need creates jobs and products - more resources...more resources, more consumption...and the spiral continues its upward climb. The issue for distribution, then, becomes additive (or multiplicative). No consideration must be given to elimination or revision if we just "get more" - problems will resolve themselves. What can we do that we didn't do before? How can we do it? Who provides it? And, of course, where will resources come from? As long as growth continues these issues do not much affect individuals (i.e., organizations) except to reinforce the "my turn to get" beliefs. However, when such a system reaches stasis the cultural mind is not one of "less" or "share" but rather still of "more". The inability to get outside of the belief system and its now faulty assumptions is simply not possible within the existing culture.

If It Looks Like An Albatross...

Illinois, like other states, has worked under a model of additive and distributive consumption for many years. As demands for programs to serve broader and more diverse populations multiplied, the need for resources also increased. During the 1950s and 1960s lawsuits in individual states concerned with the sharing of costs and states as equal partners increased our awareness of the state's responsibility in educational provision (Serrano v. Priest; Rodriguez v. San Antonio)[1]. When the door closed to federal responsibility the focus shifted to individual states' roles in providing for education under the provision of state education clauses. Equity, however, was then and is now defined as consumption. It is the ability for everyone to equally consume. Providing enough resources allows additional programs and populations to be served. As long as the resource pie is big enough, everyone has enough. This metaphor continues as the mainstay of local education in Illinois. Local school budgets are based on what they define ("want") their programs to be and build budgets around these programs.

> "...Illinois' wealthiest school districts spend more than four times as much money per student as its poorest districts. That difference of 335 percent ranks Illinois sixth in the nation in educational funding disparities. All five neighboring states have much smaller gaps, with four of the five states showing spreads less than one-half the size of Illinois'[2](p.6)

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Local resources combined with state contributions of General State Aid or Categorical Funds tied to mandates or state determined priorities round out the base for resource distribution. As the number of served groups increases the pie does not. As a result, proliferation of advocacy groups press both local school boards and the state legislature for ever larger resource shares. Many of these efforts have been successful. Illinois provides categorical funds in the form of State Chapter 1 funds calculated on an ADA basis either through increased weightings for General State Aid for grade level (ADA is increased for pupils in higher grades. Children in grades 7 and 8 = 1.05 of a student and high school students count as 1.25 students) or for Low Income Eligible Pupils. Low income eligible pupils trigger an increase in addition to the grade level supplement. The amount of increase depends upon the concentration of these eligibles and ranges up to a .625 weighting. At the maximum concentration each student counts as 1.625 students. In Cook County these eligible students are defined by the number of free or reduced-lunches, in the rest of Illinois' counties these funds are predicated on Federal eligibility. The state legislature has also allowed Chicago District #299 to transfer designated Capital construction funds to their general fund for operating purposes. Based on a premise that "we know best what our local needs are" local districts utilize their authority to garner ever larger shares of the local and state resource pie. But this is occurring at the same time other local units of government are also pressed for resources and using identical forms of thinking and behavior. As a result, the local "pie" is divided into larger slices and the number of groups coming to the table are increasingly more hungry.

In the 1970s and 1980s several events began a period of stasis and the downward trend of the present economy. Inflation grew at alarming rates. Unemployment levels began to increase. Leveraged buy outs toppled large corporations. The consumptive model was beginning its downward spiral. Goods were no longer needed in as many external markets and those who purchased placed high tariffs upon U.S. manufactured goods to stimulate their own economies. The "Baby Boomers" had come of age and were the recipients of a logic of working hard, getting educated, and participating in the "American Dream". But the problem with dreams is that you must eventually wake up. These boomers grew up in a world where growth was limitless. They were unwilling to share their fortunes in the same way the prior generation had been. Their culture practices an I-before-Thee religiosity. If they worked hard they deserved to benefit from their labor. They began to question governmental demands - and particularly schools - about taking more of their success and using it for a general purpose. As this resistance to cultural sharing increased, advocacy groups found it necessary to speak louder and in more urgent terms to maintain their place at the table. This consumption mentality asked "Why should we pay? It's the State's responsibility."

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We still see this played out in our current definition of equity. Equity=equal access to spending. That is, provide enough resources and everyone gets something. No one goes unserved. But the demand is for everyone to be sufficiently served, and in the case of public education everyone should be allowed to develop to the limits of their potential. But who determines that limit? The cry is raised "give us more and we can do it".

Meanwhile, states and elected policy makers listen to advocacy groups press for more resources. Most often, they desire special designated grants because they do not want their needs commingled with those of others...they are special...they are unique...they need more. Unfortunately, Illinois like other state governments, overspent in the 1970s and 1980s. Their response to advocacy groups now is with mandates and greater accountability but few new resources. This leaves local units of government, including Illinois' public schools, to argue over who receives the available resources. This plays itself out in by the value placed on a very limited base - land. The value we place on this extrinsic unit is central to the current dilemma. Land - it determines who has value and who does not. It determines who can give and who must receive. Without it you have little status, and with it you develop the power to decide who shall be cared for. It becomes the power of the few over the many. According to the **Illinois School Report Card** (p.2) the appropriate measure of school district wealth is equalized assessed valuation per pupil - land.

Under these assumptions the Illinois lawsuit for education was filed and defines equity as the efficiency of local units in providing sufficient resources for educational needs. Equity still equals equal access to spending. The suit claims disparities in per pupil expenditures of the top 10% versus the bottom 10% of Illinois school districts violates the Illinois constitutional dictate for a common and efficient system of public schools[3]. Such a disparity in resources cannot possibly be efficient. If the state fulfills its obligations of provision, this disparity will cease to exist. If the state funds 51% of the costs of basic education (distribution) the problems of distribution will also cease. Distribution - appropriate and sufficient distribution - resolves the discrepancies, inequities, and the inefficiency. Advocacy for additional resources simply stated asks:

> "If you want us to provide education then provide the resources to do it".

More is better. More solves the problem - or does it?

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An Albatross

We have mentioned the need for a new view but before discussing the new, we must understand how the old representation is faulty.

First, who is the state and where does it get is resources? We are the state. In the previous section we mention granting more to those at the table. But where does the state get a bigger pie? The state can increase its resources by increasing its productivity, or redistributing its current productivity, or find new markets, or keep more of the productivity of the individuals who live within its borders. But all of these are predicated on productivity - on growth - on consumption. In order to find new markets outlets where consumption outstrips supply must be found. It cannot locate these externally it must increase the demand within its own borders. If these do not provide sufficient additional resources to meet advocacy demands the state can increase the amount it keeps from its members so it has more to distribute.

But what happens when the same situation occurs everywhere? Even though consumption grows, resource growth rate demand is greater - there are now competitors for the available markets. Who provides the resources? The members of the state. Those who make the advocacy demands. But they wish to keep their resources. What becomes of the advocacy demand when the income stream of the productive members changes? If the members of the very groups desiring larger shares are less willing to contribute where do the new resources come from? In Illinois, like other states, a greater percentage of its productive members no longer have children of school age. Each year increasing numbers of these individuals move out of the productive income stream and enter the ranks of the retired. The ability to provide resource growth has substantively and permanently changed.

The "Baby Boomers" helped to swell the size of public education in Illinois and the United States. These same individuals are increasing the rate of senior citizens at unparalleled numbers each year. The generations behind them are fewer in number and their income stream is diminished. The state is then faced with a growing demand and a static resource pie. We, the state, continue to consume at the same rate we did when resource growth was infinite.

A Feudal System

> "The power of local school districts to levy taxes is dependent on the existence of a tax base. Local school districts have no power to create a tax base; the taxing power rests with the State." (p.23)

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Another assumption of the consumption metaphor is land value. It determines the "haves" and the "have nots". Ultimately, all land is the state's. Legislative policy makers are in the unique position of landed gentry...they can "favor" those they choose with additional benefits when local resources are insufficient. They have a seemingly bottomless ability to aid the poor and the destitute. Such favors curry respect, wonderment, and fear. For anger may realize the removal of favor - or worse the confiscation of liberty and the right to exist (consolidation/merger). So patronage and land go hand-in-hand. To come to this table one must respect and pay homage to the "patrons" of legislation.

But lest we be too anxious to blame the "state", let us not overlook the "fiefdoms" of local government. Once the state has established the tax base each local unit controls its own land and can look with favor upon certain citizen groups. It is not only the gentry who curry favor, local fiefdoms are often worse as they take and keep for themselves - and when asked to restrain they reply "if the state did its share - if it didn't impose so many rules - we wouldn't have to take this from you"...

So Where's the Albatross ???

The albatross is there. Despite all the warning signs we continue to believe we cannot sail off the end of the earth. This time the world is indeed flat. The economic picture is flat. A recent analysis conducted by the First Chicago Economics Dept' showed that in 1991 the personal share of U.S. disposable income absorbed by debt is still hovering around 91%. The percentage of employment growth recovery after recession between the second and third quarters of 1991 was only 0.05% compared to the recovery between the first and fourth quarters of the last recession in 1982 at 2.8%. And the outlook for the figures for the remainder of 1991 and 1992 are probably not going to increase beyond the 0.05% by very much.

In addition capital markets remain slow and inflation continues to remain low in 1993 due to a slow economic recovery and continued deceleration of wage growth in the overall work force.

Life expectancy continues to increase at the same time the "Baby Boomers" are nearing retirement. Their income stream is soon to flatten, and they will move from being the largest group of producers to the largest group of consumers in world history. The generational shift will also provide substantially fewer individuals engaged in productive work. Since WE are the state, it is only from us that the state can obtain its resources. It's a simple matter of numbers that all resources eventually derive from income. Combine that with a generational anger over the inability to obtain the same level of "good life" as the parent

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generation and we have the beginnings of a civil war. One generation achieved the dream and wants to keep it - the other believes the dream but cannot attain it.

Before we finish we must also take stock of the decline in the numbers of productive units and the change in the unit of product. The "Boomer" generation was upwardly mobile. For every widget they invented, produced, and consumed they created multiple manual jobs. Today's market has shifted from producing widgets to brokering knowledge. The selling of the information age requires a work force good with its head not its hands. It only takes one mind to create a computer program. Few of the productive generation will work the assembly line. Robotics have that work faster, more efficient, and you don't have to pay workman's compensation, insurance, and pensions to robots. Information brokerage increases our need for language and cultural sensitivity in a country where pluralism requires everyone to speak the same. The culture wars are returning but we aren't listening".

The Illinois lawsuit compares, for example, the average wealth of the richest 10% and poorest 10% of the Illinois school districts, weighted by population, for the 1986-87 school year (the last year for which complete data were available).

1986-7 Weighted Avg. of Total District EAV/ADA

	Richest 10%	Poorest 10%	Ratio
Elementary	$245,702	$26,401	9.3:1
High School	$335,895	$70,438	4.8:1
Unit	$109,084	$17,325	6.3:1

Finally, the combination of these events has further divided the "haves" from the "have nots". The Illinois school lawsuit looks at the expenditures in the lowest 10% of its school districts. However it has not, and cannot, respond to the root causes of that low spending. Depreciated land value - why so low? No value.

New Representations

What, then, must we do to change if we are to keep the ship from sailing off the earth's end? First we must stop defining equity as the right to equally consume. In the new culture we must realize the finite nature of our resources. Everyone cannot be a winner. We will be a little thinner (and perhaps a little healthier) because we will receive a little less.

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Second, we must learn to "play well with others". A new system requires true participation - not just more advocates but groups working and understanding that resources can only serve so many before disappearing. True participation begins when we convince all advocates that collaboration and coalition building can lead to redefined and shared existence. We must be willing to give up something in order to survive.

Third, we must learn that intellectual capital is the new medium of exchange. That its creation, transfer, maintenance, and brokerage requires investments in what it is, how to use it, how to protect it, and how to place a value on it, as well as how to share it. It is no longer feudal property - it is global. It is an intangible product and our current system is predicated on tangible goods. We must reconcile this to take full advantage of this opportunity. We must use it to develop the collaborations internationally as well as regionally because it is more efficient than the present system. We must develop institutions that train individuals in the art as well as the science of technology. The Age of Intellect will require humanists who understand the philosophy behind technological innovations and how to humanely integrate it into daily life and work. Educational institutions and education finance policy makers are necessary must take the lead in the redefinition of these issues. Higher education programs must develop programs that not only are sensitive to the human issues, but develop the leaders who understand the demands of this new modernism.

Fourth, we ARE in a new age. The Age of Enlightenment gave way to the Age of Reason. Now the Age of Reason must make way for the Age of Intellect. Public education made the new age possible by providing the largest and most educated work force in world history. Now it must refocus and fulfill its promise in a new way by developing policies for resource allocation based on collaborative shared bases and not predicated on unlimited growth or consumption. Investing in coalition building across government, class, race and generational lines and away from an advocacy frame is necessary and financing this endeavor must come at the level of education finance policy formation. Productivity is a broken metaphor. Notions of participation have begun to show us that the old distribution system's flaws are widening. But so far participation has been along the old advocacy lines - the industrial lines of union, at risk, low income, middle class, rural, suburban, city. Advocacy is becoming radicalized to retain and garner more of a diminished pie. If we do not rethink the current system the ship will quite bluntly, fall off the earth.

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Implications for the Illinois Suit

The current Illinois lawsuit seeks to diminish the disparity between the top 10% of spending school districts and the bottom 10%. To "level up" by having the court declare the current Illinois distributive formula unconstitutional since its distributional effects deny educational services to certain students in certain districts. But the lawsuit and a judicial decision are the beginning not the solution.

The entire premise is that the "state" (that's us) are able to provide more dollars to continue a system in which equity will continue as equal access to spending. The "state" (that's us again) has just seen the beginning of the flattening of the productivity income curve with the passage this spring of the "5 + 5" incentive retirement legislation. Each year more state eligible employees will move out of the higher productive income streams into the stable stream of the senior/retired cohort. That means there will be more pronounced demands on stable incomes to provide support for services they no longer want or need. It also means the "state" will have a demand for increased services to this formerly productive group of citizens. If all the productive workers in the State of Illinois maximize their productivity potential the base will still never equal the one being lost. In fact we know the next generation's incomes will be lower than that of the retiring generation. That means our historic reliance on a distributive growth model has outlived its usefulness.

Even if the courts decide in favor of the plaintiffs, the legislature simply won't have more resources to distribute. It will have to take from someplace else - to redistribute - a place with an advocacy group of its own. It will take from a base that is fragmented and unwilling to give up what has been acquired. The lawsuit will only help Illinois' 934 school districts if the base is larger and the assumptions are not faulty - and that simply is no longer the case.

The Illinois lawsuit for education is premised on these assumptions. It, unfortunately, will not solve the problem.

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